

ONLINE COPYRIGHT INFRINGEMENT
IN THE EUROPEAN UNION
FILMS, MUSIC, PUBLICATIONS, SOFTWARE AND TV
(2017-2023)

EXECUTIVE SUMMARY



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PROJECT TEAM

Damian BORNAS CAYUELA, Economics and Data Intelligence Research Specialist

Amani Romaiassa DJAIL, Economics and Data Intelligence Trainee

Nathan WAJSMAN, Chief Economist

Executive Summary

Copyright infringement remains a significant challenge for rightsholders in the European Union. The complexity of this issue has increased with technological advancements, necessitating a deeper understanding of piracy mechanisms to develop efficient countermeasures.

The first analysis by the EUIPO of the evolution of online copyright infringement was published in 2019, specifically focusing on films, music, and TV content. The scope has since been expanded to include data on access to pirated films, TV, and music from January 2017 to December 2023 across all 27 EU Member States, as well as data on pirated accesses to publications and software from 2021 to 2023.

An important novelty in this report is that it addresses IPTV piracy, reflecting its growing impact on the market. Because of its different nature, IPTV piracy is not measured in the same way as website piracy. The figures presented reflect the number of visits to websites that provide pirate IPTV registration services.

IPTV piracy involves illegal streaming of TV, films, and live sports over Internet Protocol networks, sometimes mimicking legitimate IPTV services but bypassing official subscription channels. These pirate services often require specific hardware (boxes) or software (dedicated apps). They operate through subscription fees, advertising, or as a business-to-business model for resellers. IPTV piracy inflicts significant economic damage, including revenue losses for content creators and service providers, reducing the value of broadcast rights, and necessitating costly anti-piracy measures. Enforcement is challenging due to technological sophistication, jurisdictional issues and consumer demand for cheap content. Recent European police operations have taken down large-scale IPTV piracy networks, but a multifaceted approach involving technology, legal efforts, and education is essential to combat this issue effectively.

Key findings

- **Overall piracy is stabilising at about 10.2 accesses per internet user per month:** overall piracy grew until the end of 2021, since when the trend has been flat. Although piracy for the most important type of content (TV) shows a slight increase, this effect is counterbalanced by the decrease in piracy of other types of content, such as films.
- **TV piracy** in the EU stabilised in 2023 at 5.1 accesses per internet user per month, but with increasing variations across Member States. Streaming remains the most common method, with significant differences across EU Member States. Desktop devices are used more than mobile devices for pirated TV content, accounting for around 60 % of total accesses. However, the split between mobile and desktop devices varies across countries.
- **Film piracy** in the EU decreased by 25 % in 2023, with an average of 0.9 accesses per internet user per month. Streaming remains the dominant method, accounting for 74 % of accesses, followed by torrenting. Desktops are the preferred devices, but mobile devices are close. The decline in film piracy is seen across both types of devices, with desktops leading the decrease.
- **Music piracy** closed 2023 at 0.6 accesses per internet users per month in the EU, which is slightly above 2022 levels. The preferred method for accessing pirated music content remains ripping, which accounts for nearly half of all the accesses to pirated music in 2023. There are substantial differences regarding the preferred methods for pirated music consumption across the 27 EU Member States. Mobile devices remain the preferred way of consuming pirated music.
- **Publications piracy** in the EU remained flat in 2023, with an average of 2.7 accesses per internet user per month. Downloading is the preferred method (88 %) followed by torrenting. Manga is the most pirated publication type, with mobile devices being the primary access method (50 % higher than desktop devices). The differences across EU Member States remain significant with some countries below 50 % of the EU-27 average and others at more than double that average.

- **Software piracy** in the EU increased by 6 % in 2023, with an average of 0.9 accesses per internet user per month. Mobile software, including games, is the most pirated genre. Mobile devices now account for half of all software piracy, driving the growth in this category, while accesses through desktop devices have decreased.
- **Sports / live event piracy** (a subset of TV) in the EU increased from 2021 to 2023, peaking at 0.75 accesses per user/month in October 2022. It closed 2023 at 0.53 accesses per internet user per month. The trend appears flat or slightly decreasing. Desktop devices are preferred.

Concerning **IPTV piracy**, although there is no data available on the actual consumption through IPTV, the report presents data for 2022 and 2023, based on visits to pirate IPTV registration websites. The data shows a **10 % increase in 2023**, with an average of 2.14 % of internet users visiting these websites per month. While the actual number of users consuming IPTV piracy is unknown, a simulation suggests that even under conservative assumptions, 1 % of EU-27 internet users could have been subscribed to illegal IPTV services during the period 2022-2023. This does not account for existing users before 2022, indicating a significant total number of users of these services in the EU-27.

Econometric Analysis

The report presents the results of econometric models for TV, film, music, publications, software, and live sports events piracy. The models examine the relationship between various economic and demographic variables and piracy rates.

For **TV piracy**, the model shows that the youth **unemployment rate has a negative (it reduces piracy) effect on piracy**. One possible reason for this is that unemployed young people might live with their parents who pay for TV subscriptions. The **share of internet users and the number of mobile subscriptions per 100 people also have a negative impact on TV piracy**, while the COVID-19 crisis had a significant positive (it increases piracy) impact. The **presence of a legal offer**, as measured by the number of available TV channels, has a strong negative impact on TV piracy.

The model indicates that **film piracy decreases when the GDP per capita grows**. However, the proportion of **young people** in the population and **youth unemployment** are both associated with higher levels of **piracy**. The awareness of **legal film offers** tends to **decrease film piracy**.

The **music piracy** model shows that the **Gini index** goes in the **same direction as piracy** (if it grows, piracy also grows), indicating that greater income equality is associated with lower music piracy. The **youth unemployment** rate has a negative impact as it happened for TV too. A high **proportion of young people** in the population, and a permissive **attitude towards piracy**, tend to increase piracy.

The model indicates that a higher **Gini index** (more inequality) tends to increase **publications piracy**. The increase of the **share of internet users** and higher **inclination to piracy in the population** increases piracy.

The **software piracy** model shows that a higher **Gini index** (greater inequality) increases piracy, as does the **inclination to piracy**. Higher mobile penetration, as measured by the **number of mobile subscriptions per 100 people**, also increases software piracy.

For **live sports events** piracy, the model indicates that it has a positive association with **GDP per capita**. This is counterintuitive because populations with higher incomes should be able to pay for legitimate service. Some possible hypotheses that could explain this are: i) relative lower offer in countries with a smaller GDP per capita that would lead to little interest, ii) high demand in richer countries that push prices up which could be dissuasive for a significant proportion of the population, especially if income is unequally distributed, and iii) users in rich countries may have already moved to subscription based products for music, films and TV and may be reluctant to add more subscriptions. A high **youth unemployment rate** is also associated with higher piracy. Finally, an increase in the **share of internet users**, as well as a higher **number of TV channels** are associated with a reduction in piracy.

Finally, it is worth noting that the presence of a strong legal offer and the public's awareness of that offer was consistently associated with lower levels of piracy, especially for film and TV.

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